agro-based processed products for countries such as India, due to reduction in import duties, removal of non-tariff barriers and reduction in subsidies, to domestic agriculture; and

(d) if so, the steps Government propose to take to improve the food processing industry in the country?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) and (b) As per the report of M/s Rabo India Finance Private Limited, processed food industry in India should aim to grow at about 10% per annum between 2005-2015. The investment required in building the processing capacity, infrastructure and market development is estimated to be Rs. 99,700 crore for this period.

(c) Yes, Sir.

(d) Government has formulated and implemented several Plan Schemes to provide financial assistance for establishment and modernization of food processing units, creation of infrastructure, support for R&D, human resource development besides other promotional measures to encourage development of food processing industries. Recently, in order to give boost to growth of FPI sector the Government has allowed under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. Excise duty of 16% on dairy machinery has been fully waived for promotion of dairy processing industries. Excise duty on meat, poultry and fish products has been reduced from 16% to 8%. Excise duty on food grade hexane used in edible oil industry has been reduced from 32% to 16%. A National Horticulture Mission has been launched w.e.f. 1st April, 2005 with an objective to boost the horticulture sector. In the Budget of 2005-06 excise duty of Rs. 1.00 per kg on refined edible oil and Rs. 1.25 per kg on vanaspati was abolished. Customs duty on refrigerated vans was reduced from 20% to 10%.

Assistance to Punjab for wheat processing plants

2108. SHRIMATI SUKHBUNS KAUR: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that in Punjab, the wheat processing industry

is denied the location advantage and the State is deprived of the advantage of attracting investments in world class green field wheat processing plants;

(b) whether the Government of Punjab has requested for extension of the location advantage in respect of wheat processing industry; and

(c) if so, Government's response thereto and the decision taken thereon?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (c) The Government of Punjab has raised the issue about increasing the differential in the prices of wheat in the consuming State as compared to the prices applicable to the State of Punjab under the Open Market Sale Scheme (Domestic) OMSS (D) for Wheat. In the present price structure being followed for disposal of wheat to the bulk consumers like the Roller Flour Mills, under the OMSS (D) there is a differential in the State-wise prices as indicated below:—

State	Price of Wheat (Crop year 2004-05) (Rs. per Quintal)
Punjab	800/-
Tamil Nadu	870/-
Maharashtra	840/-
West Bengal	845/-

The State-wise prices have been fixed after taking into account the acquisition cost and freight charges from the procuring States of Punjab and Haryana to the other consuming States. The above differential in the prices shows that a system of differential rates is already in place and is fixed State-wise on the distance from the procuring regions of Punjab and Haryana.

Checking wastage of agricultural produce

2109. DR. VIJAY MALLYA: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether Government are aware that farm produce worth Rs. 50,000 crores is going waste every year;